

| ROUTING AND RECORD SHEET                             |  |                       |                                  |  |
|--|--|-----------------------|----------------------------------|--|
| SUBJECT: (Optional)                                  |  |                       |                                  |  |
| FROM: R. E. Hineman<br>DDS&T<br>6E60 Hqs             |  | EXTENSION<br>7713     | NO.<br><i>DDS&amp;T - 308/85</i> |  |
| TO: (Officer designation, room number, and building) |  | DATE<br>12 Apr 1985   |                                  | DATE<br>12 Apr 1985  |
|  |  | RECEIVED              | FORWARDED                        | OFFICER'S INITIALS   |
| 1. ER  |  | 12 APR 1985           |                                  | Separate responses to Mr. Korth and Mr. Hubbard mentioned in paragraph 4 are attached.<br><br><i>Agree</i> |
| 2. EXDIR <i>W3</i>                                   |  | 15 Apr                |                                  |  |
| 3. DDCI <i>W</i>                                     |  | 16 APR 1985           |                                  |  |
| 4. DCI   |  | 16 Apr 85 19 APR 1985 |                                  |  |
| 5.   |  |                       |                                  |  |
| 6. <i>DDS&amp;T</i>                                  |  |                       |                                  |  |
| 7.   |  |                       |                                  |  |
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| 15.  |  |                       |                                  |  |



*L304*

DDS&T-308/85

23 APR 1985

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence  
Executive Director

FROM: R. E. Hineman  
Deputy Director for Science and Technology

SUBJECT: Potential CIA Utilization of Commercial Communications  
Satellite

REFERENCES: A. Personal Letter to the Honorable William J. Casey  
from Fred Korth, dated 1 February 1985

B. DCI Memorandum to DDS&T, dated 23 March 1985

1. As requested in Reference B, we have reviewed the proposal set forth in Reference A by Fred Korth on behalf of Hubbard Broadcasting, Inc. Our assessment is that the proposed development is not of particular interest or utility to this Agency and that the suggested joint approach to the proposed venture is, at best, very tenuous.

2. Specifically, Hubbard proposes that the Agency/USG fund a portion of the procurement costs for a new commercial television satellite system. If the system proved commercially viable, then Hubbard would repay the Agency/USG some reasonable costs and continue to provide us with some level of free service. Should it not work out to be a commercial success, then Hubbard would turn the satellite over to the Agency/USG. The system, as designed, provides for CONUS-based transmission and receipt of communications traffic.

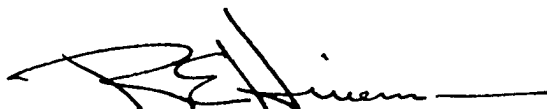
3. Our negative assessment of this proposal is based on the following:

a. The system is designed for CONUS communications. At present, and projected into the foreseeable future, we see no difficulty in obtaining the channels we need for CONUS communications from existing commercial and/or DoD systems under reasonable leasing arrangements. In fact, current market analysis indicates that we, as a country, may actually find ourselves with a "glut" of orbiting transponders over the next ten years or so, a situation which is further influenced by the growth of AT&T's fiber optic network.

b. Even if the system could provide for some level of non-CONUS coverage, its flexibility would be very much limited by the system's commercial applications. For example, coverage of crisis areas would require repositioning the satellite. In a situation where we would have invested our fiscal resources in a specific commercially oriented system, such operational alternatives would not be available to us.

c. The potential political ramifications of the Agency's involvement in the commercial communications media are far from trivial and, alone, would probably fully mitigate against such an approach.

4. I am sending separate responses to Messrs. Korth and Hubbard thanking them for their interest but indicating that we cannot presently accept Mr. Hubbard's proposal.



R. E. Hineman

Distribution:

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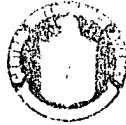
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Central Intelligence Agency



Washington, D.C. 20505

11 April 1985

Mr. Fred Korth  
Korth and Korth  
Suite 401, Barr Building  
Farragut Square  
Washington, D. C. 20006

Dear Mr. Korth:

Your letter of 1 February to the Director of Central Intelligence concerning a proposal put forward by Mr. Stanley Hubbard of Hubbard Broadcasting, Inc. was recently brought to my attention. I have had the appropriate office closely review Mr. Hubbard's proposal, and I regret to say that for various reasons it is not possible for the Agency to utilize Mr. Hubbard's ideas at this time. Nevertheless, I would like to thank you for your interest.

I have sent a separate response to Mr. Hubbard advising him of the above and expressing appreciation for his interest.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. E. Hineman", with a long horizontal flourish extending to the right.

R. E. Hineman  
Deputy Director  
for  
Science and Technology

Central Intelligence Agency



Washington, D.C. 20505

11 April 1985

Mr. Stanley S. Hubbard  
President and Chief Executive Officer  
Hubbard Broadcasting, Inc.  
3415 University Avenue  
Saint Paul, Minnesota 55114

Dear Mr. Hubbard:

Recently, a proposal you put forward concerning U.S. Government cooperation with your company in the building and placement of communications satellites was brought to my attention. I referred your proposal to the appropriate office, and after serious review I regret to say that for various reasons we are not able to utilize your ideas at this time. Nevertheless, I would like to express my appreciation for your interest, and I wish you luck in your venture.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. E. Hineman", written over a horizontal line.

R. E. Hineman  
Deputy Director  
for  
Science and Technology